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FOR IMMEDIATE RELEASE

Terry Goddard Announces Agreement with ConocoPhillips To Help Reduce Underage Tobacco Sales

(Phoenix, Ariz. – Dec. 21, 2005) Attorney General Terry Goddard today announced that ConocoPhillips Company, one of the nation's largest oil companies, has agreed to policy changes expected to discourage underage tobacco sales at more than 10,000 gas station/convenience stores operating nationwide under the Conoco 76 or Phillips 66 brands. Sixty-six outlets in Arizona are covered by the agreement, all independently owned and operated.

Under the agreement, ConocoPhillips will include provisions in its license contracts to require compliance with legal prohibitions against tobacco sales to minors. Goddard joined Attorneys General representing 39 other states in this multi-state agreement.

"This agreement is another important step toward stopping the illegal sale of tobacco to kids," Goddard said. "By addressing this issue in its license agreements, ConocoPhillips is promoting responsible retailing, and I encourage other retailers to adopt similar policies."

New or renewed franchise agreements will require franchisees and trademark licensees to report any underage tobacco sales infractions to company headquarters. Failure to comply with this reporting requirement, or violations of this agreement, could jeopardize the right to operate under company trademarks.

ConocoPhillips also agreed to remind each franchisee and trademark licensee each year about the importance of preventing tobacco sales to minors. This letter will also include a reminder that non-compliance with underage tobacco sales laws could constitute grounds for ending their right to operate under the ConocoPhillips trademarks.

This is the eighth multi-state agreement with a nationwide or large regional tobacco retailer. Similar agreements have been reached with Walgreens, ExxonMobil, BP Amoco, Wal-Mart, ARCO, Rite-Aid and 7-Eleven. Combined, the agreements affect more than 55,000 retail outlets across the nation.

The agreement, called an Assurance of Voluntary Compliance, noted that 47 percent of youth who report buying cigarettes identify gas stations as their primary point of purchase, and another 27 percent identify convenience stores. The agreement further noted that every day in

the United States more than 2,000 people under 18 begin smoking, and a third of them will one day die from a tobacco-related disease.

The 40 participating states are Arizona, Arkansas, California, Colorado, Connecticut, Florida, Hawaii, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New York, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin and Wyoming.

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